



Västerås 10/22/2015

AQ Group AB (publ)

Interim report January – September 2015

Third quarter, July - September 2015, in brief

- Net sales SEK 655 million (605)
- Operating profit SEK 39 million (44)
- Profit after financial items SEK 44 million (45)
- Equity ratio 62% (59)
- Earnings per share after tax SEK 1.96 (1.81)

Nine months, January - September 2015, in brief

- Net sales SEK 2 129 million (1 913)
- Operating profit SEK 147 million (117)
- Profit after financial items SEK 157 million (118)
- Equity ratio 62% (59)
- Earnings per share after tax SEK 7.04 (5.12)

AQ in brief

AQ is a leading supplier to demanding industrial customers and is listed on AktieTorget.

The Group consists of operating companies each of which develop their special skills, and in cooperation with other companies, striving to provide cost effective solutions in close cooperation with the customer.

AQ has about 4,000 employees in Sweden, Bulgaria, China, Estonia, India, Italy, Lithuania, Mexico, Poland and Thailand. In 2014 **AQ** had net sales of SEK 2.6 billion.

AQ has the highest credit rating, AAA.

www.aqq.se

Third quarter

Net sales totalled SEK 655 million (605) in the third quarter, an increase of SEK 50 million compared to the same period in the previous year. Sales excluding acquisitions and currency rose by 4%. Profit after financial items was SEK 44 million (45) in the third quarter, a decrease of SEK 1 million.

Earnings per share increased from SEK 1.81 to SEK 1.96 after, among other things, having achieved the status as a "high tech" company in China (meaning R&D and patents locally), which reduces taxes from 25% to 15%.

Swedish operations have a decreased net margin compared to third quarter in 2014. A number of actions have been completed during Q2 and Q3, which will improve the profitability.

Our companies in Eastern Europe and China have all had good development. India and Mexico are still making losses but show improvement.

Equity in the group was SEK 1 156 million (980) at the end of the quarter.

First nine months

Net sales totalled SEK 2 129 million (1 913), an increase of SEK 216 million compared to the same period in the previous year. Sales excluding acquisitions and currency rose by 6%. Profit after financial items was SEK 157 million (118), an increase of SEK 39 million compared to same period previous year.

During the second quarter the profit has been affected by a restructuring cost of SEK 8.7 million. This cost is due to reduction of staff and unused facilities in conjunction with redundancies at AQ Enclosure Systems AB in Vaggeryd and the structural changes of AQ Mekatronik AB in Västerås and AQ Elautomatik AB in Surahammar.

Significant events during the period

Start-up of the company in Thailand is completed. The company has about twenty employees, a few punching machines and they have a leased factory facility in the outskirts of Bangkok. The company is managed by AQ Holmbergs in China. Deliveries will start in Q4 to a telecom customer.

The restructuring of AQ Elautomatik with the move of operations in Surahammar to Västerås and the merger with the business in AQ Mekatronik will be ready November 1.

The downsizing of AQ Enclosure in Vaggeryd is now completed. A number of big customers are now getting their deliveries from AQ's factories in Bulgaria and Estonia.

A big effort is ongoing to develop parts for a new truck to a big customer. About one hundred tools for injection moulding and sheet metal processing are being produced. All tools shall be ready during Q4. Sales is not expected until second half of 2016.

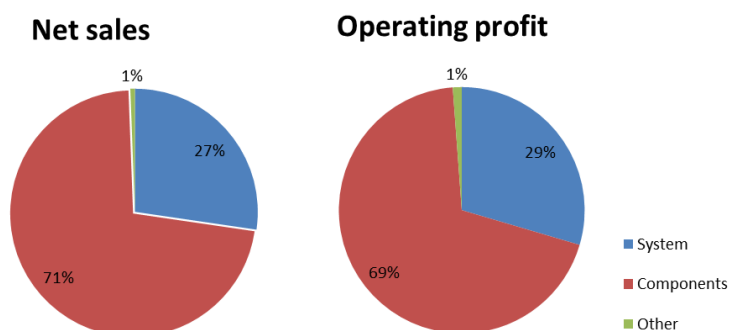
A new robot tube bending machine is being put into operation at AQ Segerström in Eskilstuna. There are new investments in injection moulding machines of about SEK 10 million, a smaller 200 ton 2K (two component) and a larger 1500 ton at AQ Plast in Västerås and Anderstorp respectively.

Significant events after the end of the period

No significant events after the end of the period.

Segment reporting

The Group operates in two business segments: *Components*, which produces transformers, wiring systems, mechanical components, punched sheet metal and injection-moulded thermoplastics and *System*, which produces systems, power and automation solutions and assembles complete machines in close collaboration with the customers.



Q3	2015			2014		
	System	Component	Other *	System	Component	Other *
Net sales	183 504	467 178	3 879	167 464	433 786	3 703
Operating profit	11 457	26 858	846	12 497	26 994	4 191

* Unallocated and eliminations

Information of parent company

The parent company, AQ Group AB, focuses primarily on leadership and development of the Group. Company sales are, as in previous years, almost exclusively of sale of management services to subsidiaries. Purchases from the subsidiaries do not exist to any appreciable extent.

The drawing up of the interim report

The interim report has been prepared in accordance with the Swedish Annual Accounts Act as well as IFRS, applying IAS 34, Interim Financial Reporting, which contains general requirements for the design, structure and minimum information requirements in the interim report. The accounting and valuation principles applied are the same as used in the latest annual report for 2014. The report has not been audited.

Significant estimates and evaluations for accounting purposes

The company has in preparing the interim report gone through and evaluated risks and uncertainties according to the description given in the annual report of 2014 and assessed that there have been no significant changes. Information about risks and uncertainties affecting the company can be found in the annual report of 2014.

Future prospects

The goal of the Groups is continued profitable growth, organically by 5% and through acquisitions by 10% over time. The goal for profit after financial items is 8%. The Board of directors are not giving any forecast for turn-over or profit.

The listing of the company on OMX Nasdaq instead of AktieTorget is planned for end of 2016.

The Group's Income Statement and statement of comprehensive income (SEK '000)

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	R12	2014
Net sales	654 561	604 953	2 128 596	1 912 649	2 832 045	2 616 097
Other operating income	4 110	-482	19 782	12 195	30 815	23 229
Operating expenses	-619 509	-560 789	-2 001 298	-1 807 651	-2 650 388	-2 456 740
Operating profit	39 162	43 682	147 080	117 193	212 472	182 586
Result from financial items	4 494	898	9 928	1 070	12 924	4 066
Profit after financial items	43 655	44 580	157 008	118 263	225 396	186 652
Tax on profit for the year	-8 338	-11 946	-29 989	-25 912	-40 251	-36 175
Net profit for the year	35 317	32 634	127 019	92 351	185 145	150 477
Other comprehensive income	-806	0	-806	0	-1 573	-766
Other translation differences	11 395	16 652	9 796	30 152	27 963	48 357
Other comprehensive income	10 589	16 652	8 990	30 152	26 390	47 591
Comprehensive income for the year	45 906	49 286	136 009	122 503	211 535	198 068
Earnings per share after full tax	1,96	1,81	7,04	5,12	10,27	8,34
Net margin %	6,7%	7,4%	7,4%	6,2%	8,0%	7,1%

The Parent company's Income Statement (SEK '000)

	Q3 2015	Q3 2014	YTD 2015	YTD 2014	R12	2014
Net sales	6 221	11 061	27 888	33 487	45 637	51 236
Other operating income	0	0	3	3	3	3
Operating expenses	-8 943	-6 338	-26 578	-20 630	-32 205	-26 257
Operating profit	-2 722	4 723	1 313	12 860	13 435	24 982
Result from financial items	4 609	1 139	6 270	3 713	10 630	8 073
Profit after financial items	1 887	5 862	7 583	16 573	24 065	33 055
Appropriations	0	0	0	-255	-19 416	-19 670
Tax on profit for the year	-958	-1 919	-1 668	-4 239	-668	-3 239
Net profit for the year	929	3 943	5 915	12 079	3 981	10 146

Balance Sheet (SEK '000)

Assets	Group		Parent company	
	Q3 2015	Q3 2014	Q3 2015	Q3 2014
Fixed assets	402 331	393 710	404 176	356 240
Inventories	488 410	473 128	0	0
Other current receivables	804 749	690 333	57 229	184 347
Cash and bank balances	166 388	109 738	149 791	5 302
Total assets	1 861 878	1 666 909	611 196	545 889
Equity and liabilities				
Equity	1 155 688	979 666	263 482	292 901
Untaxed reserves	0	0	36 000	37 845
Interest-bearing liabilities	126 685	187 263	305 534	63 035
Other liabilities	579 505	499 981	6 179	152 108
Total equity and liabilities	1 861 878	1 666 910	611 195	545 889
Equity ratio	62%	59%	43%	59%

Equity (SEK '000)

Group	Equity attributable to Parent Company shareholders					Non-Controlling interests	Total Equity
	Share capital	Other capital contributed	Translation reserve	Retained earnings inc. Profit for the year	Sub total		
Equity, 2014-01-01	36 068	34 014	-3 743	818 649	884 988	414	885 402
Net Profit				150 012	150 012	465	150 477
Translation differences in foreign operations			48 251		48 251	140	48 391
Defined benefit pension plans				-767	-767	-34	-801
Other comprehensive income			48 251	-767	47 484	106	47 590
Changes in non-controlling interests						614	614
Paid dividends				-28 854	-28 854		-28 854
Transactions with shareholders				-28 854	-28 854	614	-28 240
Equity, 2015-01-01	36 068	34 014	44 508	939 040	1 053 630	1 599	1 055 229
Net Profit				126 788	126 788	231	127 019
Translation differences in foreign operations			8 993		8 993	-26	8 967
Other comprehensive income			8 993		8 993	-26	8 967
Changes in non-controlling interests				0	0	541	541
Paid dividends				-36 068	-36 068	0	-36 068
Transactions with shareholders				-36 068	-36 068	541	-35 527
Equity, 2015-09-30	36 068	34 014	53 501	1 029 760	1 153 343	2 345	1 155 688

Parent Company	Restricted equity			Non-restricted equity			Total Equity
	Share capital	Statutory reserve	Sub total	Share premium reserve	Fair value reserve	Sub total	
Equity, 2014-01-01	36 068	1 156	37 224	34 014	239 437	273 451	310 675
Net Profit					10 146	10 146	10 146
Paid dividends					-28 854	-28 854	-28 854
Transactions with shareholders					-28 854	-28 854	-28 854
Equity, 2015-01-01	36 068	1 156	37 224	34 014	220 729	254 743	291 967
Net Profit					7 584	7 584	7 584
Paid dividends					-36 068	-36 068	-36 068
Transactions with shareholders					-36 068	-36 068	-36 068
Equity, 2015-09-30	36 068	1 156	37 224	34 014	192 245	226 259	263 483

All shares, 18,034,058 pcs, are A-shares with equal voting rights

Cash Flow Statement (SEK '000)

	Group		Parent company	
	YTD 2015	YTD 2014	YTD 2015	YTD 2014
Net operating profit/loss	147 080	117 193	1 313	12 860
Non-cash transactions	60 546	56 503	5 649	9
Received interest/dividend	4 272	1 150	794	2 779
Paid interest	-3 335	-3 855	-164	-569
Received/paid interest	937	-1 444	630	6 754
Income tax paid	-38 008	-41 960	-12 260	-18 771
Cash flow from operating activities before changes in working capital	170 555	130 292	-4 668	852
Changes in working capital	-40 630	90 404	48 971	93 986
Cash flow from operating activities	129 925	220 696	44 303	94 838
Cash flow from investing activities	-50 661	-77 635	-48 357	-62 732
Cash flow from financing activities	-60 146	-93 696	25 301	-36 435
Cash flow for the period	19 118	49 365	21 247	-4 329
Liquid funds at the beginning of the period	145 744	67 566	128 544	11 151
Exchange rate differences in liquid funds	1 526	-7 193	0	-1 520
Liquid funds at the end of the period	166 388	109 738	149 791	5 302

Employees

Employees	Bulgaria	China	Estonia	India	Italy	Lithuania	Mexico	Poland	Sweden	Thailand	Total
30/09/2015	945	538	361	136	4	646	93	501	903	20	4 147

Future Reporting Dates

Year-end 2015	February 18, 2016
Annual general meeting	April 21, 2016
Interim report Q1, 2016	April 21, 2016
Interim report Q2, 2016	July 21, 2016
Interim report Q3, 2016	October 20, 2016

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